

**RECORD OF PROCEEDINGS
OF THE GOVERNING BODY
CITY OF GARDNER, KANSAS**

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March 1, 2021

The City Council of the City of Gardner, Kansas met in regular session on March 1, 2021, at 7:00 p.m. in the Council Chambers at Gardner City Hall, 120 East Main Street, Gardner, Kansas, with the Mayor Steve Shute presiding. Present were Councilmembers Todd Winters, Mark Baldwin, Randy Gregorcyk, Tory Roberts, and Kacy Deaton. City staff present were City Administrator James Pruetting; Deputy City Administrator Amy Nasta; Finance Director Matthew Wolff; Police Chief James Belcher; Utilities Director Gonzalo Garcia; Parks and Recreation Director Jason Bruce; Community Development Director David Knopick; Public Works Director Kellen Headlee; City Engineer Tim McEldowney; City Attorney Ryan Denk; and City Clerk Sharon Rose. Others present included those listed on the sign-in sheet and others who did not sign in.

CALL TO ORDER

There being a quorum of Councilmembers present, Mayor Shute called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Mayor Shute led those present in the Pledge of Allegiance.

PRESENTATIONS

1. Proclaim the week of March 7-March 13, 2021 as Heroes Week in the City of Gardner, Kansas

Mayor Shute read into record a proclamation recognizing the week of March 7-March 13, 2021 as Heroes Week in the City of Gardner, Kansas.

2. I-35 and Gardner Road Interchange Project

City Engineer Tim McEldowney provided a history of the project. In 2016, the city applied to Mid-America Regional Council (MARC) for funds to improve the north side of the interchange where 191st St connects adjacent to the ramp terminals. They were awarded \$1.4M from MARC. Before the design of that project, they needed to do an alternative analysis and look at future needs for the interchange. They considered different alternatives for the ultimate interchange improvement, and agreed that a diverging diamond interchange would be the appropriate solution for the traffic issues to fix problems at that location. They began design of phase one of the project, which is what is currently being worked on today. It relocates 191st Street to the north to intersect Gardner Road at 188th Street. It also adds signals at 188th Street. There will be signals at each of the ramp intersections with Gardner Road. Kansas Department of Transportation (KDOT) offered an additional \$2.51M to go toward the construction of the current project. McEldowney turned the presentation over to KDOT representatives to update on the interchange. Simon Sun, HDR project manager, and Steve Bass, KDOT road design project manager began a presentation illustrating the potential preliminary designs for the interim improvements and for the ultimate interchange configurations. They shared calendar timelines and potential project costs. The full presentation can be found here: <https://www.youtube.com/watch?v=i4U68UM3Y48>

Councilmember Gregorcyk noted the gas station, Phillips 66, is a long-standing business. He is concerned about the east entrance. Mr. Bass, KDOT, said they considered entrances close to the interchange and the amount of traffic along Gardner road to maintain the integrity of the interchange. They prefer to keep entrances as far back from the interchange as possible. This project proposes closing the access off Gardner Road. Mr. Sun, HDR, noted there is a raised median planned. Breaks in the median would present challenges from a traffic operations perspective. The median will prohibit turning movement until 188th St. This is how they preserve the operations, because there are safety concerns if drivers are trying to make left turns and conflicting movements. Mr. Sun showed the ultimate interchange configuration to illustrate the reason they need to close the driveway at during the interim configuration. There will be widening on Gardner Rd to accommodate targets. The ultimate configuration also has a median similar to the interim. The growth expected between 188th St and south through the interchange, the median needs to happen or there will be potential safety concerns. Mr. Bass said they are considering placing signals at the ramp terminals. Mr. Sun confirmed there will be traffic signals at both terminals. Gregorcyk clarified this will close the existing entrance off Gardner Rd, and the only entrance to that business would be to the west off Locust. Mr. Sun confirmed, the only entrance will be on Locust St. Gregorcyk said they have safety concerns at 191st and LPKC traffic coming off I-35 onto Gardner Rd and making left turns, however, he supports placing

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temporary bollards to impede traffic making a left turn onto 191st St. Gregorcyk said the improvement is timely and much needed, but it's hard for him to see closing the entrance on S. Gardner Rd. He appreciated their explanation.

Councilmember Winters noted the financing illustrated in the presentation. The project is slated for 3 years in the future. The costs referenced, is that present-day costs or is inflation accounted for in numbers? Mr. Bass said HDR used current construction dollars on their estimate, but KDOT has an inflation rate it applies to projects that flow across fiscal years. The project costs are inflated out to fiscal year 2024.

Councilmember Baldwin appreciates designing for the ultimate interchange. For the interim configuration, the city is responsible for 10% of preliminary engineering and 12.5% of construction costs. Will there still be a similar ratio projected for the ultimate interchange configuration? The city will be looking at \$2.66M for the construction costs and \$190,000 for preliminary engineering. Mr. Bass said they haven't identified who is responsible for what at this time. KDOT has a local consult in place. If the project is of interest to the city and they want to gauge regional interest, KDOT encourages the city and others to bring this project to the local consult. That's what they are following currently. As mentioned previously, the ultimate configuration won't be needed for quite some time. Funding will be discussed in the future as they see the need for the ultimate diverging diamond configuration.

Councilmember Roberts agreed with Gregorcyk; she has concerns about blocking the business entrance. She understood why, but it's still a concern.

Mayor Shute stated concern about the timeframe. 2024 is a significant amount of time. The bridge is significantly degrading. Without some interim steps taken by KDOT, there may be accelerated degradation. Michael Rinehart, KDOT, said he has been on it, and they are well aware of its condition. They are in that situation with several bridges in Kansas. To bridge the gap from today to 2024, crews will be out in July to make deck repairs. The Locust St. project will necessitate a short closure of the bridge, and that is a good time for them to repair the deck. That won't guarantee there won't be other instances of deck delamination or more surface issues arising, but it provides an opportunity to address the rough areas. There may be other instances of surface issues arising, but they can repair the rough spots. They will monitor as needed. Shute noted the project schedule. He saw utility relocation taking a year. The advertisement of the construction is taking place at the very end of utility relocation. Is there any chance to accelerate the timeline? Mr. Bass said they looked at that when putting the schedule together. They condensed the design effort, and that's what is driving the schedule. After they get the plans 50% complete, they start right-of-way acquisition and utility relocations. Many times, the utilities want KDOT to acquire the ROW. In this case, some utilities may consider moving out to the eventual ultimate interchange location so they don't have to move twice. The schedules as presented are aggressive. ROW acquisitions can take 18 months to 2 years. They condensed it to a year. It would be very difficult to accelerate this schedule. Shute understood and appreciated the explanation. Safety is a significant issue. Traffic is going to increase in that area in the next two years. Shute asked if they can get temporary signals on the ramps to govern the traffic flow in the meantime. Councilmember Gregorcyk asked if have they done traffic studies at 191st and Gardner Rd. He estimates a high percentage of the traffic is coming or going to LPKC. If they controlled the entry/exit traffic, that may divert traffic south to the diverging diamond interchange that was built for LPKC and truck traffic. Mr. Bass said there have been discussions. When truck drivers come from the north and type in the address at LPKC, their mapping gives them the shortest route, which is Gardner Rd. He is unaware if KDOT has reached out to the mapping sites to have them rerouted. Shute said KDOT put a message board out because of the 199th St reconstruction directing trucks to use a different exit, and they have seen less truck traffic. Is there possibility to have signage on southbound I-35 directing trucks further south? It would be a big help and give them directional assistance. Michael Rinehart, KDOT, said they have a message board posted now, and would be willing to keep it posted there until the new interchange, if needed. Shute said it's a big help. They are still seeing trucks, but not as much. Baldwin noted during construction, they will have signals at the ramps. Will there be wires across those temporary poles that would have a height restriction precluding big trucks? City Engineer McEldowney said there will be temporary signals with the current phase. Each of the ramps will have signals on them, but they are designed to have maximum clearance. Shute said the signalization he referred to was between now and start of construction in 2024. McEldowney said the current Locust St. project has temporary signals at each ramp. Shute asked when they will be installed. McEldowney said they will be installed this summer.

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He further explained they are for this project, and this project is to be done by the end of the year. City Administrator Pruetting asked if there has been any discussion about moving the weigh station and pushing trucks down further south. Mr. Rinehart is the metro engineer responsible for Johnson County said he's not heard any comment of moving the weigh station. Shute said it was part of the Southwest Johnson County Transportation Plan a while back. It was on consideration for moving because it had too small a footprint to be able to handle the additional truck traffic. Mr. Rinehart started in May, and hasn't heard any mention of it. It may predate him. Leroy Koehn, KDOT, said he's been there 3 years and has heard no discussion of moving weigh station, so it predates him as well. Shute said the last traffic plan was passed in 2013. Pruetting asked who they would speak with to bring this up. Mr. Rinehart said the consult process is coming up, and they could ask then. A KDOT representative said a big stakeholder in this would be the Kansas Highway Patrol and motor vehicle enforcement. Baldwin asked why the final design is 18 months, when the majority of it will be done during the preliminary design. Mr. Bass said the ROW acquisition and utility relocation is driving the back end of the schedule, including final design. They'll use that time to finish the final design.

Rocky Gupta, owner of Phillips 66, addressed concerns about traffic. QuikTrip will be coming soon, and truck traffic will increase because it's a big truck stop. He was shocked to learn of the closing of his entrance. When they went through the Locust St. easement, the attorneys made sure that access would stay open until the project is completed. They have an agreement in writing. That agreement also says that access will always be open as a right in/right out after the project is complete. Councilmember Winters noted the plans show it will be closed. Mr. Gupta said if they are closing it, they need to review the agreement. It's a major part of his business, which is why they negotiated for a year to make sure their business is not impacted. They can't accept that closure. Councilmember Baldwin understood the east access would stay through phase 1 while Locust and 191st are relocated, then close on phase 2. Mr. Gupta said they were only closing 191st St. access according to the agreement, and the east entrance was to remain open on right in/right out. City Attorney Denk said there were extensive negotiations as part of the ROW acquisition. He will follow up with legal counsel handling this.

Mukesh Goel, co-owner of Phillips 66, said there is a lot of truck traffic that comes into the business from this road. The bridge is deteriorating from trucks, so he doesn't understand why the city approved another truck stop next to them. It will only increase truck traffic. QuikTrip will be in before 2024. On top of hurting their business, now the city is closing their entrance in favor of large corporation. They have legal documents protecting them. They are a small business, and he's grateful to be in business in this city, but this is wrong. Mayor Shute asked how long have they had that station. Mr. Gupta said they owned the car wash 4 years ago, and bought the Phillips 66 3 years ago. Shute said that's when they were working with another design company. They are now charged to find a solution to help traffic flow and preserve the business. Mr. Goel said they have signed agreements by the city. It was agreed that this access would never be closed for at least right in/right out, even after completion of the ultimate project. City Engineer McElowney said it goes back to previous owners of the property. At best, it would have been right in/right out when they got to the ultimate interchange. The goal with the first phase was to maintain a minimum of right in/right out and now they are going to maintain full access through the first phase. During the 2nd phase, they hoped to keep it as right in/right out. He said they will work with KDOT on possibility of maintaining the right in/right out throughout the 2nd phase. Shute said it sounds as if they have agreements that say they must. Councilmember Winters said he doesn't see how right in/right out would affect traffic drastically. Shute said the ultimate design would create an issue. Offsetting the entrance may be a possibility. They have an agreement that says they must preserve the right in/right out. They will need to discuss with KDOT and legal staff to preserve it. Councilmember Roberts is concerned that they have a legal agreement and a direction they promised, they can't change that. Councilmember Gregorcyk asked if there land available to put in a short right turn lane like QuikTrip has on Main St? Shute said with the interim diamond there may be, but on the final version there isn't. Gregorcyk said they have time to design in a right turn lane, and be partners with local business. Shute said staff will work on a solution.

3. 2020 End of Year Financial Report

Finance Director Matt Wolff presented the 2020 year end unaudited financial report. Wolff noted that throughout this presentation, this is a budgetary performance, so he will be comparing actual data to the city's revised budget, also called the Estimate. General fund revenues were favorable to Estimate by 10.5% or \$1.37M. Expenditures

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were unfavorable to the Estimate by -2.8% or \$361,000. The fund balance was favorable to Estimate 38% compared to 32%. Staff estimated 2020 to end with \$4M fund balance, and they finished at \$5M. Sales tax and use taxes exceeded expectations due to strong performance from Gardner's mix of businesses, primarily grocery store, Walmart, fast food, which all performed strongly over the past year. The Coronavirus Relief Fund Grant was a large contributing factor to revenues exceeding the revised budget. Half of the city's revenues that exceeded budget were from grants. General fund expenditures were unfavorable to Estimate by -2.8% or \$361,000. \$400,000 unfavorable variance due to the pandemic; \$46,000 unfavorable to funding agreement expenditures; and \$85,000 favorable variance in general fund. Wolff explained that funding agreement expenditures are agreements with developers where a developer has a project and they request incentives and give the city a certain amount of money that the city can use to hire experts of the city's choosing to evaluate those projects. That can lead to budget variances because the city receives funding from the developer at the beginning of a project or the very end, and expenditures may occur in multiple years. 2020 ended with a budget surplus of \$1M. Although sales taxes have outperformed expectations, it is a volatile revenue source. The long-term effects of the pandemic are unknown at this point. They have experienced some slowdown in development activity. Historically, the city has targeted a fund balance of 20-30%. Staff recommends targeting a fund balance of 30% moving forward. In recent rating calls with S&P, keeping the fund balance close to 30% would be seen as favorable for the city's credit rating. In comparing fund balances over the years, they were \$3.8M in 2019, went up to \$5M at the end of the 2020, and the budget for 2021 projected an end-of-year fund balance of \$.39M. With the recommendation to keep it close to 30%, that would be \$4.3M. Staff suggests using the \$1M surplus to ensure they retain a strong fund balance at the end of the year. Electric fund revenues were unfavorable by 0.9% or \$179,000. Fund balance to Estimate was up to 79% as compared to the 76% estimated. They ended with a \$14.2M fund balance. They have \$3.1M in the electric capital reserve fund. The revenue difference was mostly in retail sales and residential distribution installations, but was offset slightly by higher than anticipated revenues from Dogwood. Expenses overall had a favorable variance of approximately \$803,000 in savings and operational expenses. Most was due to wholesale electric purchasing. These savings are offset by an unfavorable variance of \$458,000 in capital projects (Shean's backfeed, part of the Prairie Trace project, additional costs for smart meters, and CO2 protection). At end of year 2019, they were at \$12.4M, and were estimating at the end of 2020 to be \$14M. They ended at \$14.2M. Staff does plan to pay \$1.5M for electric infrastructure improvements for Prairie Trace development, which will bring them back to the 2019 level of fund balance. In the water fund, the revenue was favorable to the Estimate by 1.5% or \$492,000. Expenses were unfavorable by -0.48% or \$355,000. Retail sales exceeded expectations by \$279,000. The water utility received a SMAC grant for \$422,000 for the Santa Fe project. System development fees did not meet expectations. It had unfavorable variance of \$180,000. There is a negative variance in expenses due to capital projects, like replacing water lines in conjunction with the Santa Fe project that was not originally in the project budget. The 2019 end of year fund balance was negative \$20M due to a timing issue between the cost of the water treatment plant and receipt of bonds. They estimated the revised budget to end at \$4.5M and they ended 2020 at \$4.6M. Wolff noted the 60% fund balance looks high, but will decrease over time due to debt service for the water treatment plant. In wastewater fund, revenues were unfavorable to budget by 27.8% or \$2.5M. Expenses were favorable by 19% or \$1.6M. The fund balance was unfavorable to the budget at 22% as compared to 28%. The variance on the revenue side is primarily due to \$1.8M in bond proceeds that were planned for 2020, but the issue was delayed to 2021. Wastewater operating revenues had a negative variance of \$211,000 and system development fees were at a negative variance of \$400,000. \$1.48M of the expense savings is due to several delayed capital projects. They incurred \$846,000 for Prairie Trace sewer improvements in 2020 that offset some savings from delayed projects. The fund balance was \$1.9M in 2019, and it has dropped to \$1.5M.

Wolff summarized, stating the general fund is above the 30% target at 38% fund balance, or \$1M higher than the original budget at \$5M in fund balance. The electric fund is robust, with about \$14.2M in fund balance in the electric fund and \$3.1M in the capital reserve fund. The water fund is adequate. It has a large percentage fund balance currently, but will deplete quickly over time to the water treatment plant. The wastewater fund requires further discussion because it is unable to maintain anticipated capital costs and planned debt service. Operating revenues have been stagnant in recent years. Anticipated capital costs have increased significantly since the rate study. Wolff

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said he will present a CIP update next month. This will set a stage for a more engaged discussion on infrastructure and financial planning. Sewer improvements and streets will be a focal point of that discussion

Councilmember Gregorcyk appreciated the thoroughness. He looks forward to the infrastructure discussion.

Councilmember Baldwin noted the infrastructure update on CIP is coming up quickly, but he suggests a worksession on infrastructure. Director Wolff said he plans to have the worksession at the 2nd meeting in April.

Mayor Shute said they have decisions to make for long-term planning.

PUBLIC HEARINGS

PUBLIC COMMENTS

No members of the public came forward.

CONSENT AGENDA

1. **Standing approval of the minutes as written for the regular meeting on February 15, 2021**
2. **Standing approval of City expenditures prepared February 12, 2021 in the amount of \$1,633,575.86; and February 19, 2021 in the amount of \$580,011.02**
3. **Consider authorizing the execution of a contract with Enright Lawns for annual mowing of Parks and Recreation areas**
4. **Consider accepting the dedication of right-of-way easement on Main Street**
5. **Consider accepting the dedication of right-of-way easements for the I-35 and Gardner Road Interchange Project**
6. **Consider authorizing the execution of a supplemental agreement with the Kansas Department of Transportation to construct improvements for the I-35 and Gardner Road project**
7. **Consider authorizing the execution of an agreement with BHC Rhodes to provide engineering services to update the City's Technical Specifications**
8. **Consider authorizing the execution of an agreement with the Kansas Governor's Grant Program for the Services/Training/Officers/Prosecutors Violence Against Women Act (S.T.O.P. VAWA) Grant**

Councilmember Winters asked to remove item 7 from the Consent Agenda.

Councilmember Deaton made a motion to approve items 1-6 and 8 on the Consent Agenda.

Councilmember Baldwin Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

Discussion of Consent Agenda Item 7, Consider authorizing the execution of an agreement with BHC Rhodes to provide engineering services to update the City's Technical Specifications

Councilmember Winters spoke with City Administrator Pruetting about this, but asked him to clarify because it's more consulting fees. Is it something they can do in-house or hire the position? City Engineer McEldowney said the current specs go back to 2007 and have needed to be updated for a number of years. Staff has been unable to dedicate time to it. KDHE is demanding the water and wastewater specs be updated for them to continue to reviewing and approving plans. In addition to updating the specs, staff is asking them to look at design criteria and update standard drawings. Another item is making sure all city codes and land development codes that were added are in agreement. Currently there are items that are not in agreement with the city's codes. They are grouping more than just specifications.

Councilmember Roberts asked if this is something the new deputy CA can do to reduce consulting. Pruetting said there's a technical knowledge that's needed to do this. Mayor Shute said they would work with staff to identify

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points of conflict and make changes. Pruetting noted KDHE will require sign-off. Shute identified Public Works Director Headlee and noted concerns about staffing. Is there additional staffing coming on board? Pruetting said they had filled the two engineer positions.

Councilmember Winters made a motion to approve Consent Agenda item 7, authorize the City Administrator to execute an agreement with BHC Rhodes to provide engineering services to update the City's Technical Specifications in an amount not to exceed \$62,552.

Councilmember Baldwin Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

PLANNING & ZONING CONSENT AGENDA

1. Consider accepting the dedication of right-of-way and easements and approving FP-20-02, a corrective final plat for Prairie Trace Meadows 1st Plat

Councilmember Gregorcyk made a motion to approve the Planning & Zoning Consent Agenda.

Councilmember Deaton Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

COMMITTEE RECOMMENDATIONS

OLD BUSINESS

NEW BUSINESS

1. Consider selecting a Vice-President of the Council

Mayor Steve Shute said the Governing Body Rules of Procedure dictate that a president and vice president shall be appointed from members of the City Council by a majority vote. The Council President presides at meetings when the Mayor is temporarily absent due to travel, illness, etc. If both the Mayor and Council President are temporarily absent, the Council Vice-President presides. Former councilmember Rich Melton held the position of Council Vice-President. Shute said he will take nominations from the floor and then they will vote. Councilmember Roberts nominated Councilmember Gregorcyk. Shute asked for a second. Seeing none, the nomination failed. Councilmember Winters nominated Councilmember Baldwin; Councilmember Deaton seconded the nomination. Shute asked for any other nominations. Receiving none, he closed the nominations and asked for a motion

Councilmember Deaton made a motion to appoint Councilmember Baldwin as Vice-President of the Council.

Councilmember Winters Seconded.

With all of the Councilmembers voting in favor of the motion, the motion carried.

2. Consider adopting a resolution authorizing the City to construct certain main trafficways and authorizing the issuance of General Obligation Bonds of the City to pay the costs thereof

Finance Director Matt Wolff said at the last council meeting, the governing body approved the US 56 City-State agreement where the city is partnering with KDOT to make improvements to Main Street. The city plans to issue general obligation bonds in the amount of \$2.21M to finance its portion of the project. Annual debt service will be paid from the special highway fund.

Councilmember Baldwin made a motion to adopt a resolution authorizing the City of Gardner, Kansas, to construct improvements to certain main trafficways and authorizing the issuance of general obligation bonds of the City to pay the costs thereof, all pursuant to K.S.A. 12-685 et seq.

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Councilmember Gregorcyk Seconded.

With all of the Councilmembers voting in favor of the motion, the Resolution passed and was assigned Resolution number 2079.

Baldwin:	Yes
Deaton:	Yes
Winters:	Yes
Gregorcyk:	Yes
Roberts:	Yes

3. Consider approval of the 2021 State Legislative Agenda

Deputy City Administrator Amy Nasta said the purpose of the State Legislative Agenda is to provide City Council and staff with a list of legislative topics that are of particular interest to follow for the City. By outlining the agenda, both Council and staff will be prepared to respond to legislators and professional organizations regarding the impact proposed legislation has on the City of Gardner. By participating in this process, the City is pursuing legislative policies that seek to enhance the efficiency and effectiveness of local government operations for Gardner. The City's legislative agenda incorporates the joint City/County platform to assert common positions to state legislatures. The County is requesting this practice continue.

In the CAF, there is a list of the items. There have been minimal changes this year from last year. Johnson County's platform did not change substantially as well. Most have been in nomenclature or cleaning up language, which was done at the County as well.

Councilmember Deaton looked back a few years, and the last two times it was discussed that the city wasn't doing enough to push Gardner's agenda. They were going to have meetings for Gardner-specific issues with legislators. Did that happen last year? Nasta said that was impacted by COVID, but there are plans moving forward. They are able to attend meetings and infrastructure has been set up to attend virtually when there is opportunity. Shute said they knew that would be a shortfall this year because the Capitol was reducing capacity. They do have the intention to lobby for the city's interest more in the coming years.

Councilmember Baldwin noted his dislike of the document. Their representatives are not beholden to Gardner; they are beholden to their constituents. The representatives should be hearing from the people, not this body. The body was not elected to represent the people at the state level. Anything they need to do with the state, they already do, as seen tonight with KDOT.

Mayor Shute noted transportation issues, Section 3, Bullet E – new sources of revenue to increase transportation funding with regard to the property tax lid. They have had transportation discussions. This is about new motor fuel taxes, taxes on electric and hybrid vehicles, new license under registration fees, vehicle weight fees and other revenue sources. Many people locally aren't aware of funding issues at KDOT. Without revenues to support construction, they are looking for options and opportunities to enhance funding sources. They are not pushing for higher taxes, but trying to keep KDOT solvent to be able to fix roads.

Councilmember Roberts made a motion to approve the 2021 State Legislative Agenda for the City of Gardner.

Councilmember Deaton Seconded.

With a majority of the Councilmembers voting in favor of the motion, the motion carried. (Baldwin – No)

COUNCIL UPDATES

Director Wolff provided a background of recent weeks. They experienced a prolonged cold snap that affected a large region of the country. It created an energy crisis, which led to a large spike in natural gas and electric prices. Kansas declared a state of natural disaster. There was a large increase in the price to purchase power. In 2020,

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power costs for the 3rd week in February was \$65,000. In 2021, the 3rd week of February cost \$5.5M. When the city is invoiced, there are adjustments made. Dogwood did power up temporarily, so that was an adjustment made that lowered the estimated cost to the city to \$4.5M. The city's rate structure has a service charge and base rate that are both fixed, but like other utilities, the city has a Power Cost Adjustment (PCA). This gives utilities an ability to spread out the cost of purchasing over a 12-month period. The \$4.5M cost will result in an estimated increase of about 2.5 cents for every kilowatt-hour of energy consumed. The average residential user may see an estimated increase of \$10 on their March bill, \$18.50 on their April bill, and over the period of March through December, a cumulative total of approximately \$275. High consumption residential users, like all-electric users, could see an increase of \$55.70 in March, \$66.30 in April, and a cumulative total March through December of \$562.25. Average commercial users may see an estimated increase of \$45 in March, \$84.40 in April, and a cumulative total March through December of \$882.25. Medium consumption commercial users, like big box stores, may see an estimated increase of \$504 in March, \$1038 in April, and a cumulative total March through December of \$12,000. High consumption commercial users, like industrial users, may see an estimated increase of \$1,500 in March, \$1,846 in April, and a cumulative total March through December of \$21,000.

Councilmember Winters had questions on the city's generators and asked for an explanation of why those weren't fired up. Director Garcia said the two gas turbines are dual fuel; they may burn natural gas and diesel. In the past 20 years, they have only burned gas. During the energy crisis, gas was not available for generation. Mayor Shute noted that natural gas was the driver for the increases affecting the Midwest. Director Wolff said natural gas spiked in price, and is often used to generate electricity, so that spiked too. Anyone buying from the national grid was affected. Shute noted that same natural gas is used to heat homes. Garcia said the price of gas prior to February 15 was \$2.93. At the peak of the crisis, it was \$629. Councilmember Gregorcyk asked, based on the commodity price, what would have been the cost of generating? Garcia said it would have cost \$4M per day to run the city's generators. They are high heat rate units, using 15,000 BTU per kilowatt-hour. Shute noted there are other cities that have their own natural gas utility, and some are unincorporating over this crisis. The financial emergency is affecting every community that has city utilities. Gardner has a robust electric fund, but will need to discuss if they will use it. Shute asked if that is a discussion council wants to have. Roberts and Winters agreed. Councilmember Baldwin said any discussion they have is premature. They have seen estimates for the PCA increase, but they don't know what the long-term effects will be. There are power-sourcing entities going bankrupt. There will be a ripple effect and they shouldn't act immediately. The numbers seen tonight are not pretty, but it could have been worse. If they do something, he would oppose the one-time credit like last spring. The numbers tonight would be for a PCA increase, they could adjust their rates to bring it down. It would not be a one-time stimulus, more a discount or coupon for a rolling period. Shute asked for consensus to review the rates outside the rate study for the next 12 months? Baldwin noted the rate study is coming up soon, and they should wait for it and delay the discussion. They should consider the 10-year forecast. They could then consider a rate change over 5 years. Shute noted the residential all-electric is the group being affected the most. Can they discuss how to address that? Baldwin said what they do would be long-term and won't change anything tomorrow. All-electric did suffer, but don't discount the rest of the residents who heat with gas; their gas bills will go up. Winters said they need to wait to some degree, but he is in favor of using that money sooner than later, before the rate study, but after analyzing. He doesn't support a free month, but building some of the reserve to offset the immediate need. Baldwin said staff need to do due-diligence, and they should form a subcommittee to bring options. Shute said the UAC would be the pace to start. Gregorcyk suggests that as well. Costs and credits have not all arrived; it's a volatile commodity. Shute tasked staff to look at options and get the UAC involved. Baldwin said the next UAC meeting is Thursday at 7pm. Shute said the meetings are open to the public and held at city hall. Citizen involvement is important. Wolff extended his thanks to Business Services Manager Amy Foster for her work on this.

City Clerk Rose said she has received several applications for the Planning Commission opening. Mr. Melton was previously on the interview board for PC and Citizens Police Advisory Committee, so his interview position will need to be filled. Mayor Shute asked Councilmember Gregorcyk to sit in on Planning Commission. Gregorcyk agreed. Shute said Councilmember Deaton should be on the interview team for CPAC. Shute also noted that Mr. Melton was the council representative on the CPAC. Deaton previously served as the chair of CPAC. Shute

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asked for consensus to place Deaton on CPAC. Consensus achieved. Councilmember Roberts asked if she had a committee. Shute noted Roberts is on the Public Works committee. Councilmember Baldwin noted it wasn't full, and they haven't met. Rose noted the committee is full now. Shute said they need to get a Public Works Accessibility Advisory Committee meeting set up.

Chief Belcher said they have a CPAC meeting on March 8, 7pm at the Justice Center.

Director Bruce said they had a modified daddy/daughter date night last weekend. It was successful. Staff did a great job planning and organizing, and they had a great turnout.

Director Knopick reported they had an Economic Development Advisory Committee meeting last week. They have a good group of people serving. They will have another meeting on March 10 with a speaker.

City Administrator Pruetting Introduced Public Works Director Kellen Headlee. He came to the city after 20 years in the Navy. He will be a valuable member of staff.

Director Headlee said he recently retired from the US Navy as a civil engineer corps officer doing public works for the Navy, so it is a natural progression to a civilian career. He is excited to be here and looking forward to learning what he can do to move the city forward.

City Administrator Pruetting said City Attorney Denk found the agreement with Phillips 66 that does show they have access on the east entrance, and staff will work with KDOT on that.

Mayor Shute addressed discussions on social media regarding comments he made on electric rates. It was his intention to provide more information on a thread that was started on a facebook page. Those comments were his own, not sanctioned by the city. He apologized for concerns that may have been expressed by his speaking out of turn. He will make sure going forward those comments are made through appropriate channels through City Administrator and PIO. Additionally, there was concern about Shute issuing a letter of personal recommendation on mayoral letterhead to an individual for character reference. That was also his own doing, and he has done that before when asked. That may have caused angst for some, so he is willing to have checks and balances and run such requests through the governing body if they choose. Councilmember Baldwin doesn't believe it's necessary. Winters doesn't either. Councilmember Roberts is okay with it, but said it was his personal opinion and shouldn't have been on mayoral letterhead. Shute said it's the mayor letterhead and not the city. He was speaking for himself, and not the city. Councilmember Gregorcyk said they have a public information officer that could help out in that arena, in support of the mayor.

Councilmember Roberts said it is Chief Belcher's birthday today, and Director Headlee's birthday tomorrow. She wishes them happy birthday.

Councilmember Gregorcyk asked Director Bruce if staff will be opening the pool for 2021. Bruce said they should receive guidelines and recommendations from Johnson County for area agencies in mid-March. Gregorcyk said the daddy/daughter date was great, the movie was good, theater was great, and it was a great night. He appreciates staff for what they did to make that a special night. Gregorcyk appreciated Director Knopick getting the EDAC together. There are new faces with solid backgrounds. Gregorcyk noted the Aspen Creek neighborhood park and trail space. It's going before Planning Commission soon. He noted they need to understand that the community is worried about the safety of their children, and need to make sure it aligns with the parks master plan. City Administrator Pruetting said staff met yesterday to discuss it. There is a trail in the open space as required by the Land Development Code. They are working with the developer. The HOA owns open space between Gardner road and west edge of property. They will have it worked before Planning Commission.

Councilmember Winters extended his thanks to parks staff for a great event.

Mayor Shute said the entire Midwest experienced a significant crisis, and the situation is still volatile. The governor's office is pushing to declare a financial state of emergency for federal assistance. City staff has been working hard to keep things going. Public Works will be moving forward on 56 Highway.

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Councilmember Gregorcyk asked to address the governing body. He said in December 2019, they passed resolution to move newspaper of record from *Gardner News* to the *Legal Record*. He asked if there's interest in reversing the resolution. Councilmember Roberts would be open to discuss it. Councilmember Baldwin asked if there's new information that changes what they did in 2019? Gregorcyk said as elected officials, they have always said shop locally, buy locally. The city isn't doing that in this case. Councilmember Winters said it was a difficult decision, but the cost difference was so large, he couldn't justify the difference in expense. He wants to support, and if the numbers were close, there would be no question. Roberts said they represent the people, and she received far more comments to keep Gardner News. They knew it would cost more, but more people reached out to keep it. She is still for it, because of the feedback she received. Councilmember Deaton wasn't on the council then, but financial, it was a large difference. She supports buying local and staying local. The city has a policy in place to keep purchasing local within a cost percentage. If something has changed financially, she would be willing to discuss, as long as they adhere to the city's policies. Mayor Shute said they don't have consensus on this. If the newspaper is willing to work with the city on pricing, they can look at it. Gregorcyk said they should look at an alternative funding mechanism that would support shopping locally. He can work with Pruetting, but he thinks they should look again in the spirit of buying local. Roberts said someone from the funeral home contacted her. The people using the funeral home post obituaries. Obituaries are increasingly expensive in other area newspapers. Local residents that use the funeral home use the Gardner News to post obituaries. If the newspaper closes, it will be more difficult for them to publish obituaries and have that resource. This affects other businesses. Baldwin suggested this could be discussed in the EDAC. Gregorcyk plans to bring it up with the committee.

ADJOURNMENT

There being no further business to come before the Council, on a motion duly made by Councilmember Winters and seconded by Councilmember Baldwin the meeting adjourned at 9:17 p.m.

City Clerk